

October 13, 2006

FOR IMMEDIATE RELEASE

**KINDER MORGAN CUSTOMERS OPPOSE PROPOSED RATE INCREASE
TO NEBRASKA PUBLIC SERVICE COMMISSION**

LINCOLN – About 300 natural gas customers of Kinder Morgan have contacted the Nebraska Public Service Commission since mid-September to protest a company proposed rate increase.

Contacts with the Commission have come via telephone, email, and the mail. Kinder Morgan serves 94,000 customers in 182 municipalities in the western two thirds of the state. It is the first general rate increase for Kinder Morgan in 13 years and the first since 2003 when the Nebraska Legislature placed responsibility for ruling on natural gas rate increases by privately owned companies under the jurisdiction of the Public Service Commission.

Commissioner Jerry Vap of McCook said he wants to make Kinder Morgan customers aware of the process established in the 2003 law for determining the outcome of a proposed rate increase. Kinder Morgan filed for a rate increase in June and the company may temporarily begin collecting its proposed increase on September bills.

In its rate filing, Kinder Morgan proposed increasing monthly residential and commercial service charges while simplifying and decreasing its distribution charge. Monthly residential service charges would increase from \$3-\$7 to \$13.50-\$15.50 depending on the community while the commercial charge assessed on bills for businesses would increase from \$4-\$8 to \$22.10-\$24.10.

The Commission has scheduled a public hearing at the Commission Hearing Room, Lincoln starting at 9:30 a.m. on December 18. The hearing would continue through December 21 as needed. Commissioner Vap will preside as Hearing Officer.

Commissioner Vap said, “The increase that is currently on Kinder Morgan customer bills has not received final Commission approval. The process of reviewing a rate increase takes

seven to nine months by law; however, the law also allows the company to begin collecting its proposed increase pending the outcome of the hearing.”

Depending on the Commission’s action, if Kinder Morgan is granted a smaller increase or no increase, the utility would then be required to issue a refund to customers unless the full increase is approved.

Commissioner Vap said members of the public may testify at the hearing. The public's interest is also represented by a Public Advocate, Lincoln attorney Roger Cox is that advocate. He is advised by a team of consultants including engineers and accountants. “The public advocate examines all the costs of the utility, including employee salaries, utility plant infrastructure, equipment costs, and other overhead costs, among other items,” Vap said. Kinder Morgan will be represented by its lawyers and personnel.

“The Public Service Commission is responsible for weighing the interests of the public and the utility in determining just and reasonable rates for natural gas service,” Vap said. “The Public Service Commission retains experts to assist with a review of a rate case and holds a public hearing for receiving evidence and testimony from the public advocate, the utility, customers, and others who are parties to the proceeding.”

Commissioner Vap expects to travel to towns in Kinder Morgan’s service area to take input from the public. Dates and locations are forthcoming.

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